

of the Postal Service. Consistent with the broad delegation of authority to the Postmaster General in §3.5 of these bylaws, and except for those powers, duties, or obligations which the Reorganization Act specifically vests in the Governors, as distinguished from the Board of Governors, the Board accomplishes its purposes by monitoring the operations and performance of the Postal Service, and by establishing basic objectives, broad policies, and long-range goals for the Postal Service.

§3.2 Compensation of Board.

Section 202(a) of title 39 provides for the compensation of the Governors and for reimbursement for travel and reasonable expenses incurred in attending Board meetings. Compensation is provided for not more than 42 days of meetings per year.

§3.3 Matters reserved for decision by the Board.

The following matters are reserved for decision by the Board of Governors:

- (a) Election of the Vice Chairman of the Board.
- (b) Adoption of, and amendments to, the bylaws of the Board.
- (c) (1) Approval of the annual Postal Service budget program in both tentative and final form, including requests for appropriations;
- (2) Approval of the annual Postal Service operating budget.
- (d) Approval of the annual financial statements of the Postal Service following receipt of the annual report of the Postal Service's independent, certified public accounting firm.
- (e) Approval of the Postal Service Five-Year Capital Investment Plans, including specific approval of each capital investment project, each new lease/rental agreement, and each research and development project exceeding such amount specified by resolution at the annual Board meeting in January. In the case of any project or agreement subject to the requirement of Board approval under this provision, the expenditure of any funds in excess of the amount previously authorized by the Board must be specifically approved by the Board. For the purpose of determining the cost of a capital investment project, lease/rental agree-

ment, or research and development project,

(1) All such projects and agreements undertaken as part of a unitary plan (either for contemporaneous or sequential development in one of several locations) shall be considered one project or agreement, and

(2) The cost of a lease/rental agreement shall be the present value of all lease payments over the term of the lease, including all periods covered by renewal options or all periods for which failure to renew imposes a penalty or a hardship such that renewal appears to be reasonably assured, plus the cost of any leasehold improvements planned in connection with the lease/rental agreement. The present value will be determined using the cost of capital of the Postal Service.

(3) The cost of a developmental real estate project shall be the sum of:

(i) The as-is value of the postal assets contributed to the project;

(ii) Cash contributed by the Postal Service; and

(iii) Debt that impacts the Postal Service's investment.

(f) Authorization of the Postal Service to request the Postal Rate Commission to submit a recommended decision on changes in postal rates.

(g) Authorization of the Postal Service to request the Postal Rate Commission to submit a recommended decision on changes in the mail classification schedule.

(h) Determination of an effective date for changes in postal rates or mail classification.

(i) Authorization of the Postal Service to request the Postal Rate Commission to submit an advisory opinion on a proposed change in the nature of postal services which will generally affect service on a nationwide or substantially nationwide basis.

(j) Approval of any use of the authority of the Postal Service to borrow money under 39 U.S.C. 2005, except for short-term borrowings, having maturities of one year or less, assumed in the normal course of business.

(k) Approval of the terms and conditions of each series of obligations issued by the Postal Service under 39 U.S.C. 2005, including the time and manner of sale and the underwriting

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arrangements, except for short-term borrowings, having maturities of one year or less, assumed in the normal course of business.

(l) Approval of any use of the authority of the Postal Service to require the Secretary of the Treasury to purchase Postal Service obligations under 39 U.S.C. 2006(b), or to request the Secretary of the Treasury to pledge the full faith and credit of the Government of the United States for the payment of principal and interest on Postal Service obligations under 39 U.S.C. 2006(c).

(m) Determination of the number of officers, described in 39 U.S.C. 204 as Assistant Postmasters General, whether so denominated or not, as the Board authorizes by resolution.

(n) Compensation of officers of the Postal Service whose positions are included in Level II of the Postal Career Executive Service.

(o) Selection of an independent, certified public accounting firm to certify the accuracy of Postal Service financial statements as required by 39 U.S.C. 2008(e).

(p) Approval of official statements adopting major policy positions or departing from established major policy positions, and of official positions on legislative proposals having a major impact on the Postal Service.

(q) Approval of all major policy positions taken with the Department of Justice on petitioning the Supreme Court of the United States for writs of certiorari.

(r) Approval and transmittal to the President and the Congress of the annual report of the Postmaster General under 39 U.S.C. 2402.

(s) Approval and transmittal to the Congress of the annual report of the Board under 5 U.S.C. 552b(j).

(t) Approval of the annual comprehensive statement of the Postal Service to Congress under 39 U.S.C. 2401(g).

(u) Approval and transmittal to the Congress of the semi-annual report of the Postmaster General under 39 U.S.C. 3013, summarizing the investigative activities of the Postal Service.

(v) Approval and transmittal to the President and the Congress of the Postal Service's strategic plan pursuant to the Government Performance and Re-

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sults Act of 1993, 39 U.S.C. 2802; approval of the Postal Service annual performance plan under 39 U.S.C. 2803 and the Postal Service program performance report under 39 U.S.C. 2804, which are included in the comprehensive statement under 39 U.S.C. 2401.

(w) All other matters that the Board may consider appropriate to reserve for its decision.

[59 FR 18448, Apr. 18, 1994, as amended at 62 FR 41853, Aug. 4, 1997; 62 FR 43642, Aug. 15, 1997]

§ 3.4 Matters reserved for decision by the Governors.

The following matters are reserved for decision by the Governors:

(a) Appointment, pay, term of service, and removal of the Postmaster General, 39 U.S.C. 202(c).

(b) Appointment, term of service, and removal of the Deputy Postmaster General (by the Governors and the Postmaster General, 39 U.S.C. 202(d)); pay of the Deputy Postmaster General, 39 U.S.C. 202(d).

(c) Election of the Chairman of the Board of Governors, 39 U.S.C. 202(a).

(d) Approval of the budget of the Postal Rate Commission, or adjustment of the total amount of the budget (by unanimous written vote of the Governors in office, 39 U.S.C. 3604(d)).

(e) Action upon a recommended decision of the Postal Rate Commission, including action to approve, allow under protest, reject, or modify that decision, 39 U.S.C. 3625.

(f) Concurrence of the Governors with the Postmaster General in the removal or transfer of the Chief Postal Inspector under 5 U.S.C. App. 8E(f).

(g) The Governors shall meet annually in closed session to discuss compensation, term of service, and appointment/removal of the Secretary and other necessary staff.

(h) Transmittal to the Congress of the semi-annual report of the Inspector General under section 5 of the Inspector General Act.

(i) Establishment of rates of postage for special postage stamps, 39 U.S.C. 414.

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